



DESE

Missouri
DEPARTMENT OF ELEMENTARY & SECONDARY
EDUCATION™

FOOD & NUTRITION SERVICES

December 19, 2025

Thank You School Food Service Professionals



As we approach the close of another year, DESE Food and Nutrition Services extends our deepest appreciation to each of you for your unwavering commitment to the health and well-being of Missouri's students.

Thank you for being a vital part of our education system. We wish you a joyful holiday season and may the new year bring you continued success, good health, and well-deserved recognition.

FNS Financial Information

Federal regulations require School Food Authorities (SFAs) to account for all revenues and expenditures of their nonprofit school food service operation.

2 CFR Part 200, 7 CFR 210.19 and 220

The funds in the nonprofit school food service account must only be used to pay for expenses that are necessary and reasonable to provide quality meals in the Child Nutrition Programs.

- **Approved uses-** food, equipment and staffing cost related to the operation of the meal program.
- **Restricted uses-** purchase of land or buildings, construction of buildings.
- Non-profit means an account isn't consistently making money and therefore looks at an average 3-month operating cost.
- If balance is reflecting the operation is making money, they funds shall be spent down to the benefit of the program.
- School Nutrition Program (SNP) Financial Report is due each year in November - SY 24-25 Financial Report was due November 17th 2025

Excess Balance

- Net Cash Resource (7 CFR 210.19(a)). Total Expenditures/3 months
- Requirement: Equal to or less than the average of 3-months expenditures
- Timely and appropriate use of funds in the NPSFSA to improve program operations and meal quality

- **Excess Balance-** Unallowable:
 - It is unallowable to bill the NPSFSA for cost (including indirect cost) that were previously paid from the general fund unless an agreement exists to show that the district had been “loaning” the NPSFSA funds to cover the indirect cost in one or more prior years.
 - It is unallowable to spend excess balance on capital expenditures without a written approval.
 - It is unallowable to pay duplicative cost.
 - It is unallowable to pay a Food Service Management Company for cost and services outside of the contracted rates to spend down excess balance.
- **Direct cost** are incurred specifically for a program or other cost objective; clearly identifiable with a specific program.
- **Indirect cost** are incurred for the benefit of multiple programs, functions, or other cost objectives; not clearly identifiable with one program. Use the Indirect Cost Guidance: <https://dese.mo.gov/media/pdf/indirect-cost-guidance-handbook>
 - SFA must profit (in the black) to recover indirect cost. **Requirement** to have excess balance prior to charging indirect.
 - Calculate indirect cost accurately per requirements at 2 CFR 200. Use DESE Indirect Cost Rate Agreement- The approved indirect cost rate is found on the DESE Finance Portal
 - - *Example:* Approved Rate is 9% of the Indirect Base cost
 - Program Operators must **not** develop their own system to calculate indirect cost rates.
 - *Example:* using square footage of cafeteria to calculate electricity and utility cost is not allowable.
 - Indirect Calculation for Contracts such as a Food Service Management Company (FSMC)
 - Contracts or Purchased Services must be calculated by a **Modified Total Direct Cost (MTDC)** (2 CFR Part 200.68)
- The calculation uses the Total direct cost excluding equipment, capital expenditures, support cost, pass-through funds and the portion of each subaward (subcontract or subgrant), above \$50,000 (each award, each year).
- Subaward's contracts in excess of \$50,000 must be removed from the allowed MTDC Base.
- The MTDC base used in the calculation should not include the amount paid to a subaward contract in excess of \$50,000
 - Example: Food Service Management Company (FSMC)
 - Schools with a FSMC Contract must receive SA approval prior to charging Indirect Cost.

Capital Expenditures

Per 2 CFR 200.1, **capital expenditures** is defined as expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Bad Debts

Bad debts (debts which have been determined to be uncollectable), including losses (whether actual or estimated) arising from uncollectable accounts and other claims are unallowable. Related collection costs, and related legal costs, arising from such debts after they have been determined to be uncollectable are also unallowable (2 CFR 200.426)

- The debt is classified as delinquent as long as it is considered collectable and efforts are being made to collect it.
- Must make reasonable efforts to collect unpaid meal charges classified as delinquent debt; the cost of such collection efforts is an allowable use of NSFSA funds. A debt owed to the NSFSA remains on the accounting documents until it is either collected or is determined to be uncollectable and written off by the general fund.

Unpaid Meal Charges

SP 47-2016: Unpaid Meal Charges: **Clarification on Collection of Delinquent Meal Payments** - July 8, 2016

- Considered a “delinquent debt” when payment is overdue as defined by State or local policies.
- Unpaid meal charge policy: local decision, but must have a written policy
- SFAs must request capital expenditures in writing and provide clear detail on how the project improves the school food service program, including the benefits of the project along with the cost breakdown that the school food service account is paying for.

Equipment

Per 2 CFR 200.1, equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity.

- State Auditor’s administrative rule (15 CSR 40-2.031) which covers the capitalization threshold increased amounts for equipment.
 - Starting FY25 the threshold for equipment increased from \$1,000 to \$5,000.

Procurement

Procurement

This announcement provides notification that procurement thresholds have been updated by the Office of Management and Budget, effective October 1, 2025. The final rule at **90 FR 41872** amends the Federal Acquisition Regulation (FAR) to further implement a statute, which requires an adjustment every five years of statutory acquisition-related thresholds for inflation.

Thresholds administered under Federal awards are referenced in **48 CFR 2.101 (also known as FAR 2.101)** and increased to the following starting October 1, 2025:

- Federal micro-purchase threshold - increased from \$10,000 to \$15,000 and;
- Federal simplified acquisition threshold (formerly known as the Federal small purchase threshold) - increased from \$250,000 to \$350,000.

State agencies and program operators are reminded to continue referencing Federal procurement regulations at **2 CFR 200**, which cite the above regulations. This update applies to all child nutrition programs including the **National School Lunch Program** (NSLP), **School Breakfast Program** (SBP), **Child and Adult Care Food Program** (CACFP), and the **Summer Food Service Program** (SFSP).

Local Education Agencies continue to possess the authority to set lower micro-purchase and simplified acquisition thresholds, thereby imposing more restrictive procurement requirements. If the state has not set a lower threshold, local Program operators may set higher limits in line with regulations found at **2 CFR 200.320(a)(1)**.

This notification supersedes and rescinds SP20 CACFP07 SFSP06-2019- Revised.

Buy American

Cap on Non Domestic Food Purchases

USDA established in regulations a new threshold for school food authorities that use Buy American exceptions. The limit on the percent of **total** commercial food costs from nondomestic foods will be phased in over 7 school years.

- Beginning in SY 2025-26, the nondomestic food purchases cap will be 10 percent.
- Beginning in SY 2028-29, the nondomestic food purchases cap will be 8 percent.
- Beginning in SY 2031-32, the nondomestic food purchases cap will be 5 percent.

This phased-in approach will allow schools to gradually adjust to the new requirement and will allow USDA to continue to collect data on use of the Buy American exceptions. Items listed on the Federal Acquisitions Regulations Nonavailable articles list **must be** counted toward the cap on non-domestic purchases when it goes into effect.

Buy American Provisions Related to the Final Rule, Child Nutrition Programs: Meal Patterns Consistent With the 2020-2025 Dietary Guidelines for Americans –

Resources

- **Buy American Provisions Policy Memo- Buy American Provisions Related to the Final Rule Titled, Child Nutrition Programs: Meal Patterns Consistent With the 2020-2025 Dietary Guidelines for Americans**
- **Buy American Provisions from the Final Rule Webinar- Revisions to Meal Patterns Consistent with the 2020-2025 DGAs – Buy American Provisions Webinar | Food and Nutrition Service**

Two limited exceptions when School Food Authorities (SFAs) may purchase non-domestic foods, with some modifications:

1. The product is listed on the Federal Acquisitions Regulations (FAR) 25.104 Non-available articles list **and/or** is not produced or manufactured in the U.S. in sufficient and reasonably available quantities of satisfactory quality; or
 2. Competitive bids reveal the costs of a U.S. product are **significantly higher** than the non-domestic product.
- School Food Authorities have discretion to define “significantly higher.” Always document the exception!

Schools may use the Optional Exceptions Tracking Standard Form or another mechanism to track non-domestic purchases and document Buy American exceptions. The tracker is a best practice to calculate the percentage of total food cost over specified time frame. The Buy American compliance looks at total food cost calculation for an entire school year (July 1-June 30).

There are various reasons that SFAs may need a temporary accommodation such as;

1. Challenges the SFA has with purchasing domestic items during the procurement process, and
2. SFAs are unable to quickly adapt purchases for commonly purchased non-domestic items.

Buy American Cap FAQ:

1. **Do SFAs need to track non-program foods, such as Smart Snacks or items used for the Fresh Fruit and Vegetable Program?**
 - No. Because the Buy American statute and regulations only apply to the School Breakfast Program and National School Lunch Program, SFAs do not need to track purchases used for outside of these programs.

2. Are spices, condiments, oils, and herbs included under the Buy American provision, and do they need to be tracked and included in the 10% cap, if non-domestic?

- a. Many spices, herbs and certain oils (e.g., olive oil) are included on the FAR nonavailable list and do not require further documentation.
- b. SFAs should do their best to track the purchase of spices, condiments, oils and herbs.

3. Is it possible to shorten the period of Buy American compliance assessment to a reference period instead of reviewing annual purchases?

- a. Because the requirement is based on total annual food purchases in recognition that nondomestic and domestic purchases may fluctuate from month to month, State agencies will need to review the entire year.
- b. SFAs **do not** need to break out items by invoice or months and may just document total food costs for a product for the entire year.

4. How should schools document Buy American compliance and when will DESE review?

- a. Schools may use the SP 23-2024 Buy American Exceptions Tracking Form - [SP23-2024a.xlsx](#). This USDA form is an optional Exceptions Tracking Standard Form. Schools may use another mechanism to track non-domestic purchases and document Buy American exceptions. Schools can also work with distribution vendors to pull purchase history. The tracker is a best practice to calculate the percentage of total food cost over specified time frame. The Buy American compliance looks at total food cost calculation for an entire school year (July 1-June 30).
- b. DESE will release more information after the initial year of tracking (school year 2025-2026). Compliance will be initially reviewed during the Procurement or Administrative Reviews. The requirement is an annual requirement that looks at an entire school year of purchases. For schools that can prove they are unable to meet the requirement, DESE will work on acceptable accommodations for the school.

FNS Resources and Updates

Fall 2025 Let's Talk Trainings

You can find our *past* Let's Talk webinars on our [Trainings page](#). If they are not available yet, they will be posted soon.

- | | |
|---|-----------------------------------|
| • Verification | - <i>October 10th</i> |
| • Nonprogram Food Revenue Tool and PLE Tool | - <i>October 17th</i> |
| • Miscellaneous Requirements | - <i>October 24th</i> |
| • Point of Service | - <i>November 14th</i> |
| • Avoiding Fiscal Action | - <i>Friday, December 5th</i> |
| • Free and Reduced Price Attachments Collection | - <i>Wednesday, December 17th</i> |

Fluid Milk

Schools experiencing issues receiving compliant skim and/or 1% milk from distributors - Within current regulation, state agencies may allow schools experiencing milk supply shortages to serve meals during an emergency period with an alternate form of fluid milk or without fluid milk:

- [eCFR :: 7 CFR 226.20 -- Requirements for meals](#)
- [eCFR :: 7 CFR Part 210 -- National School Lunch Program](#)
- [Unavailability of Fluid Milk - Nutrition Requirements for Fluid Milk and Substitutions in the CACFP, Questions and Answers | Food and Nutrition](#)

Farm to School Success Stories

Shout out to School of the Osage!

"This quarter ... We proudly purchased an incredible variety of locally grown items including 168 cantaloupes, 187 watermelons, 66 cases of apples, 18 cases of cherry tomatoes, 24 cucumbers, 6 cases of pears, 21 cases of peaches, 5 cases of peppers, and 2 cases of zucchini. All items were sourced through Farris Market in Camdenton, Missouri, which partners with the Mennonite community in Versailles, MO allowing us to directly support socially disadvantaged producers and keep our dollars close to home.

One of the highlights of the quarter was our partnership with Squez, a local business that specializes in cold-pressed juices. Together, we created fresh juice using fruits and vegetables from our local purchases. This event took place at the Upper Elementary, where students had the opportunity to sample the juice, learn about how it was made, and see the impact of buying local firsthand. It was a fun, educational, and refreshing success that truly brought our community together!

Another exciting event was our "Catch'n the Crunch" celebration, held as part of Farm to School Month and the statewide Missouri Crunch Off. We gathered at the Upper Elementary with the high school football team, cheerleaders, and dance team to take one giant, loud "crunch" into locally grown apples from Peters Orchards in Waverly, Missouri. The collaboration between older and younger students made the day truly special and inspired everyone to think about where their food comes from and how it fuels healthy bodies and active minds.

... Every piece of fruit, every crunch, and every partnership is helping us create a stronger connection between our schools and the Missouri farmers who feed us.

We are deeply thankful for this opportunity to serve our students and community through the Local Food for Schools Grant. Programs like this make a lasting difference not only by putting fresh, local food on trays, but by building awareness, appreciation, and pride in Missouri agriculture." Enjoy this You Tube Video - <https://youtu.be/e0JFyIUUpLo>.



Shout Out to Blair Oaks Elementary!

*Blair Oaks R-II Food Service Director,
Amanda Boessen*

"Our students are already enjoying a wide variety of local foods thanks to partnerships with several Missouri farms. *The Boys from Chamois* supply fresh watermelon, cantaloupe, tomatoes, peppers, and zucchini, while *Happy Hollow Farms* in Jamestown provides greens, beets, eggplant, green beans, radishes, turnips, potatoes, and a variety of squashes. *Stanton Brothers* provides locally produced eggs, a student favorite, particularly as hard-boiled eggs on the salad bar.

In late September and early October, we celebrated Johnny Appleseed Day at our elementary school with apples from *Hickory Ridge Orchard*. Brandt from *Hickory Ridge* will soon visit to share with students about his orchard, and we plan to serve his apple cider and apple cider doughnuts with lunch, showing students the many ways local foods can be enjoyed.

I want to take a moment to share why I love this Local Food for Schools grant. Fresh, local produce is truly changing our students' experiences with food. I see first hand how important it is to introduce good, new produce to our younger students because by the time many reach high school, a large number tend to avoid vegetables altogether. Kids are not only trying new vegetables, they're **requesting** them! Just a few weeks ago, five second graders stopped me to ask when they'd get watermelon radishes again. Once the excitement of Thanksgiving settled, I ordered more so they could enjoy them on their salads.

Last week we introduced creamy parmesan garlic spaghetti squash, and the students enjoyed it so much that it will now be one of our vegetable options next month. These are the meaningful food experiences the *Local Food for Schools* grant helps us provide!"

See the list from *Happy Hollow Farms* above for their variety of winter produce!

Important School Nutrition Requirements & Reminders

Verification Information

Provided is a link to the **Verification information and procedures** for the 2025-26 school year. **The Verification process should have been completed by November 17.** *(Since the 15th fell on a Saturday the following business day, Monday, November 17 was used.)* **As a reminder, the verification report was due December 15.**

Additional Verification Resources:

- **Verification Step-by-step Summary**
- **USDA Verification Toolkit**
- Verification Procedures - Let's Talk Webinar October 2025
 - **Recording**
 - **Presentation Slides**

Technical Assistance (TA) Visits

New Monitoring Process - Child Nutrition Program Integrity Rule

- SY 25-26 - TA visits to be conducted for schools identified as high risk during 24-25 Administrative Review (AR)
 - 10% + Certification and Benefit Issuance Errors
 - Verification Not Completed
 - Meal Counting Errors - Recalculation
 - Claiming Errors - Systemic
 - Missing Meal Components
 - Missing Production Records
 - Unallowable Costs

Food Service Management Renewals

Food Service Management Company (FSMC) Request for Proposals (RFPs) have been updated. You must use our template to ensure all the regulatory information is included in the contract. There is a list of LEA's that are at the end of their 5 year cycle and the meal equivalent factor for the 25-26 school year is on our website at **Food Service Management | Missouri Department of Elementary and Secondary Education**. If you are in the last year of your 5 year cycle or wish to go out for bid for a FSMC, please contact **Kyle.Heislen@dese.mo.gov**.

Here's Your Sign!!

I wanted to take a moment to highlight the amazing work that Patti Turner, Food Service Director, does each year at Kirbyville R-VI. It's always exciting to see how she embraces the yearly theme and transforms the Kirbyville Middle cafeteria with her creativity.

The bulletin board featuring the offer vs. serve sign is particularly impressive. Not only is it beautifully decorated, but its eye-catching design ensures that every student and staff member who enters the cafeteria notices and reads the sign. This is essential as it helps communicate the meal options effectively.

Thank you, Patti, for your dedication and eye for detail that brings Kirbyville school's theme to life while also promoting healthy food choices!

- Abbie Scott, Nutrition Program Specialist - Southwest Central Region



USDA Foods Update



Kansas City – February 4, 2026
HOA/KSDE/MO-DESE Commodity Expo and Vendor Showcase

KCI Expo Center

11730 N Ambassador Dr, KC, MO 64153

CLICK HERE to register for Kansas City 2026 HOA/KSDE/MO-DESE Commodity Expo and Vendor Showcase

Kansas City discounted hotel room rates are available at Embassy Suites ([book here](#)).

Please also join us for a Networking Reception the night before:

Tuesday, February 3

5:00 - 7:00 PM at Embassy Suites - Airport

7640 NW Tiffany Springs Pkwy

Kansas City, MO

St. Louis – February 17, 2026

SFND/ISBE/MO-DESE Commodity Expo and Vendor Showcase

Ameristar

1 Ameristar Blvd., St. Charles, MO

CLICK HERE to register for ST. LOUIS 2026 SFND/ISBE/MO-DESE Commodity Expo and Vendor Showcase

Discounted room rates are available at our host hotel, Ameristar ([book here](#)).

Please also join us for a Networking Reception the night before:

Monday, February 16

5:00 - 8:00 PM

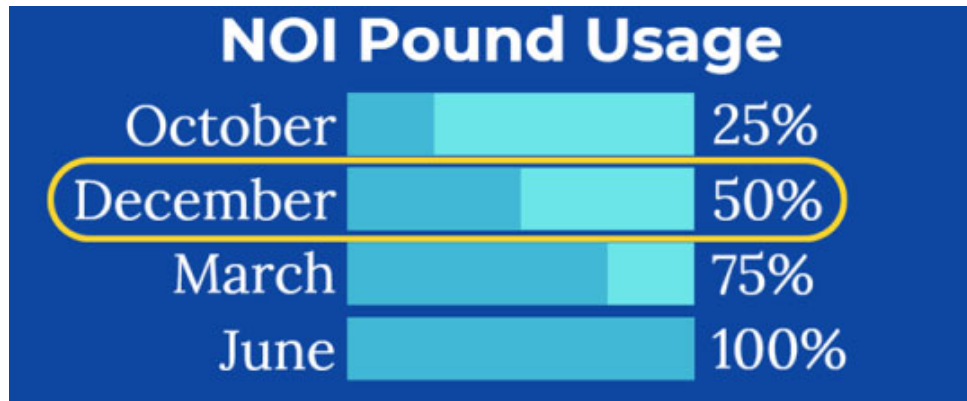
RYSE Night Club at the Ameristar

PROGRAMMING	
Kansas City	St. Louis
Networking Reception Tuesday, February 3 • 5:00 - 7:00 PM	Networking Reception Monday, February 16 • 5:00 - 8:00 PM
HOA/KSDE/MO-DESE Commodity Expo and Vendor Showcase Wednesday, February 4	SFND/ISBE/MO-DESE Commodity Expo and Vendor Showcase Tuesday, February, 17
Classes 8:30 AM - 12:00 PM USDA Foods General Session Reducing Added Sugars Tilt Skillet Commodities 101 Common Food Safety Violations	Classes 8:30 AM - 12:00 PM USDA Foods General Session Illinois USDA Foods Session Management Style and Empowering Employees Tilt Skillet Commodities 101 Common Food Safety Violations
Vendor Showcase 11:00 AM-12:00 PM Directors Only 12:00 - 3:00 PM Open to All	Vendor Showcase 11:00 AM-12:00 PM Directors Only 12:00 - 3:00 PM Open to All

Past Due Direct Delivery Automatic Shipment

Starting in February, we will automatically ship Direct Delivery items that were requested on the USDA Foods Packet but not yet ordered. This is to prevent excessive force shipping at the end of the year. In February, we will automatically ship items that were requested on the

packet for August-January delivery. We will email food service directors and/or authorized representatives to inform you of the items that will be shipped. If you have concerns about storing these items, please let us know so we can find a solution. If your district can no longer use the items, please advertise them for other districts to use. If no other district takes them, you will still be responsible for receiving them. Please reach out to us at donatedfoods@dese.mo.gov with any questions or assistance.



NOI Pound Usage

Districts that have processed Net Off Invoice (NOI) pounds should review their current balances. Now that we are in December, approximately 50% of pounds allocated for the year should be used. Processors will be reaching out to districts that have used less than 50%. If your district has a plan to utilize all remaining pounds, please share that with them. If a district does not have a plan and does not think they will be able to utilize their remaining pounds, then please notify your processors. They will move the pounds back into our State account so they can be shared with a district that can use them. For districts that have used a majority of their pounds and could utilize additional pounds, please reach out to your processors. They will be able to provide bonus pounds as they are available.

Funds Received to Help with Delivery Fees

Due to changes beyond our control, there will be a delivery fee for all school districts that receive donated foods. All school districts will be responsible for a small delivery fee to receive direct delivery and Fee for Service (FFS) items. Beginning on October 1, 2025, public schools will be billed a **\$2.25** per case delivery fee by Gold Star Foods for Direct Delivery and Fee For Service items. Starting August 1, 2025, private schools will be billed **\$5.25** per case delivery fee by Gold Star Foods for Direct Delivery and Fee For Service items.

However, we received additional funding to help pay for most of these delivery fees. **All public-school and non-public districts' Gold Star Foods accounts will be credited for the estimated delivery fees.** This credit was calculated according to total Direct Delivery (DD) and Fee For Service (FFS) cases requested in the 2025-2026 USDA Food Packet for the period of October 1, 2025, through April 30, 2026. However, the delivery fee will remain in effect and your monthly invoice from Gold Star Foods will reflect the delivery charges as notified earlier in August. The additional allocated funds will be applied toward the DD and FFS delivery charge. Please check the Gold Star System (Invoice/Credit History) before sending payment for the delivery fees.

This credit does not take into consideration the Advertisement (Bonus) cases you have ordered. When the credit on your account has been exhausted, your district will be responsible for any delivery charges thereafter.

Cancellations, Delays and Substitutions

While most of our direct delivery foods are being delivered as scheduled, we have some products that have been delayed or cancelled. If there are direct delivery items you requested on your packet, but have not received as scheduled, please consult the [Canceled/Delayed USDA Foods Direct Delivery Orders](#) page. If the item is not listed as

cancelled or delayed, please reach out to our USDA Foods team at donatedfoods@dese.mo.gov.

Past Newsletters

Missed a past newsletter or need to access them again? You can find them all on our [Food and Nutrition Services Newsletter page!](#)



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